



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

FOR IMMEDIATE RELEASE

CONTACTS: Analysts

Darian Hala
(908) 439-2200, ext. 5802
darian.hala@ambest.com

Thomas Rosendale
(908) 439-2200, ext. 5201
thomas.rosendale@ambest.com

Public Relations

Jim Peavy
(908) 439-2200, ext. 5644
james.peavy@ambest.com

Rachelle Morrow
(908) 439-2200, ext. 5378
rachelle.morrow@ambest.com

A.M. Best Revises Outlook to Negative for Issuer Credit Ratings of New York Life; Affirms Financial Strength Rating

OLDWICK, N.J., Jun. 11, 2009—A.M. Best Co. has revised the outlook to negative from stable and affirmed the issuer credit ratings (ICR) of “aaa” and long-term debt ratings of **New York Life Insurance Company** and its wholly-owned subsidiaries, **New York Life Insurance and Annuity Corporation** and **NYLIFE Insurance Company of Arizona** (collectively referred to as New York Life). Concurrently, A.M. Best has affirmed the financial strength rating of A++ (Superior) of New York Life. The outlook for the FSR is stable. All companies are headquartered in New York, NY. (See below for a detailed listing of the debt ratings.)

The revised outlook for the ICRs and debt reflects the recent decline in New York Life’s capitalization primarily due to losses on public and private equity investments and fixed income credit losses, as well as the potential for additional material credit losses within the group’s general account investment portfolio. New York Life maintains significant holdings in mortgage-backed and asset-backed securities, which in aggregate were in a net unrealized loss position exceeding \$5.5 billion at year-end 2008. Additionally, A.M. Best notes the group’s considerable exposure to below investment grade bonds and commercial mortgage loans. Although A.M. Best believes New York Life’s investment management capabilities are strong, the fact that high-yield default rates have increased substantially over the last 12-18 months and commercial mortgage

—MORE—



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

—2—

delinquencies are beginning to materialize across the industry are key concerns in the near to medium term.

New York Life's ratings continue to reflect its leading market position in the U.S. life insurance industry, its highly productive career agency force and its superior risk-adjusted capitalization. The ratings also consider the company's favorable liability profile, diverse operating earnings and commitment to mutuality. New York Life enjoys the competitive advantage of its core career agency force and has led the industry in Million Dollar Round Table (MDRT) membership for 54 consecutive years. The agency channel has contributed to the company's strong persistency and prominent market presence within the individual life market while delivering strong sales growth.

Moreover, New York Life's sizeable inforce block of traditional life insurance and stable, long-term cash flows are the foundation of the company's operating performance. The conservative nature of its product portfolio, together with its large block of ordinary life business, translates into one of the most creditworthy liability profiles in the industry. New York Life does not offer guaranteed minimum withdrawal benefit (GMWB) riders on variable annuities and only sells small amounts of no-lapse guarantee universal life. A.M. Best notes that over the past several years New York Life's annuity and deposit type contract liabilities have grown faster than ordinary life reserves, which is consistent with most of its life/annuity peers.

A.M. Best also notes that New York Life is exposed to broader risks in its international operations. Although A.M. Best believes that the group's international operations represent a source of earnings growth and diversification, they have the potential to produce results that are somewhat more volatile than the company's domestic businesses due to the macroeconomic and political uncertainties inherent in developing markets. However, A.M. Best notes that the

—MORE—



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

—3—

geographic diversity of the countries and the establishment of meaningful market share serve to mitigate potential adverse results from individual countries within these operations. Additionally, the statutory carrying value of New York Life's international operations was approximately \$233 million at year-end 2008, while its audited GAAP book value was roughly \$1.8 billion.

The following debt ratings have been affirmed with the outlook revised to negative from stable:

New York Life Funding— program rating of “aaa”
-- “aaa” on all outstanding notes issued under the program

New York Life Global Funding— program rating of “aaa”
-- “aaa” on all outstanding notes issued under the program

New York Life Insurance Company—
-- “aa” on \$1 billion 5.875% surplus notes, due May 2033

The following debt rating has been affirmed:

New York Life Capital Corporation—
-- AMB-1+ commercial paper rating

For Best's Credit Ratings, an overview of the rating process and rating methodologies, please visit www.ambest.com/ratings.

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at www.ambest.com/ratings/methodology.

Founded in 1899, A.M. Best Company is a global full-service credit rating organization dedicated to serving the financial and health care service industries, including insurance companies, banks, hospitals and health care system providers. For more information, visit www.ambest.com.

####